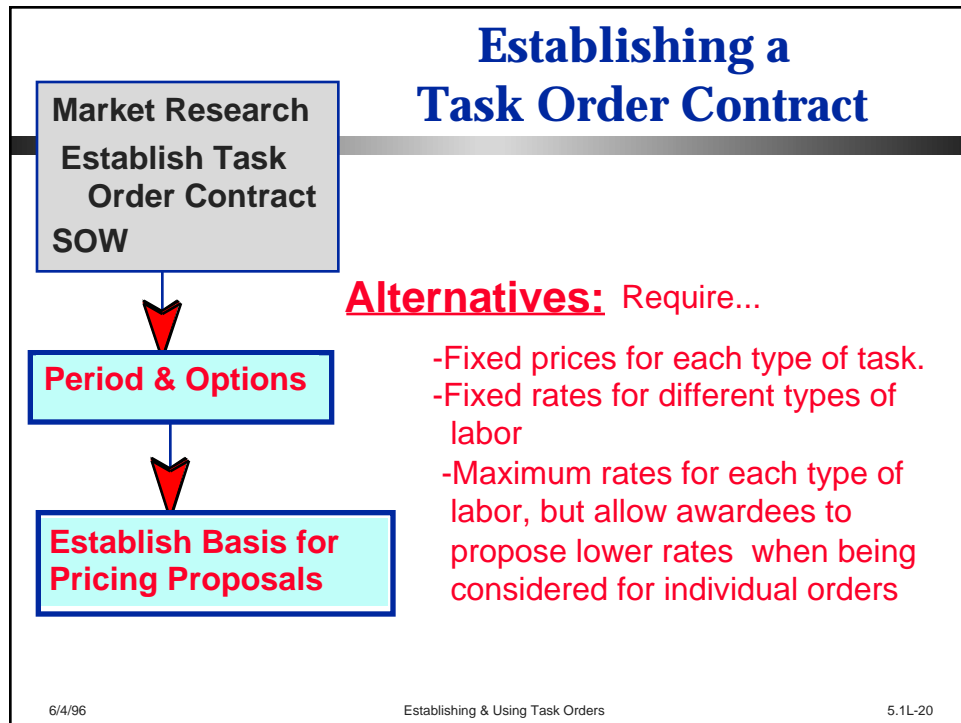


Let's look at the process to establish a task order contract using a decision tree. A complete decision tree is included as a handout at the end of the lecture.

The first step in the decision process is to conduct market research and determine whether to establish a task order contract. If the answer is "no", the alternative may be a separate procurement for each task.

How do you decide when it makes sense to establish a task order contract? The FAR criteria for the use of requirements or indefinite-quantity contracts has not changed substantially. The criteria are permissive, that is, you may but you do not have to award a task order or delivery order contract under such circumstances. If you do decide that a task order contract is the right vehicle, next prepare the statement of work or SOW.

The test in drafting a SOW is whether it "reasonably describes the general scope, nature, complexity, and purpose of the supplies or services to be acquired so that prospective offerors can decide whether or not to submit an offer.



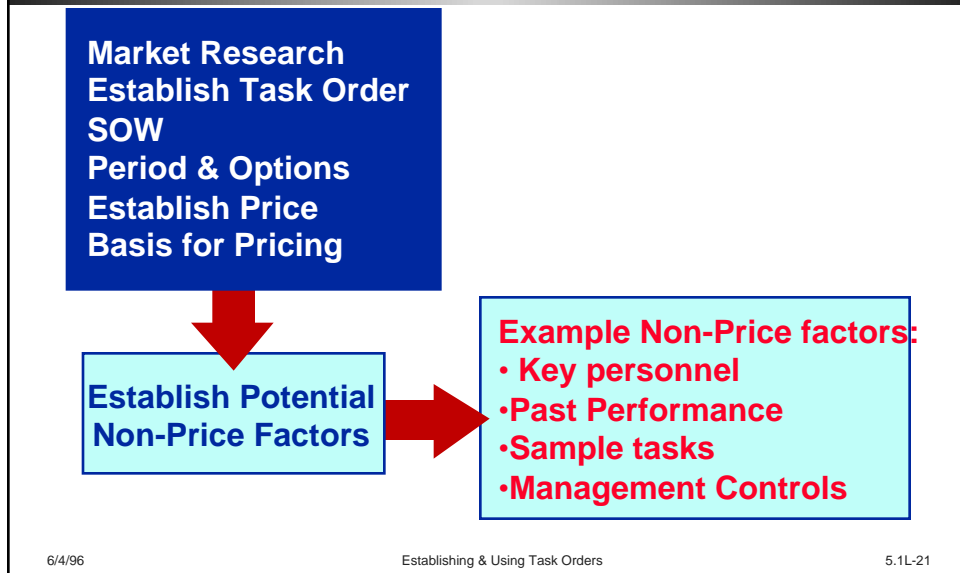
If you are following along on the briefing charts rather than the handout, the first square in the upper left corner lists the steps already covered. At this point we have conducted market research, decided to establish a task order contract, and prepared the statement of work.

Now, let's talk about periods and options. **(16.505(c))** Remember the ordering period of a task order contract, including all options and modification, may not exceed five years unless specifically authorized by statute. (A task order contract for advisory and assistance services may be extended once for a period NTE six months only if special circumstances exist.)

Next, establish the basis for pricing proposals as part of the source selection for award of the overall contract. The contracting officer could require offerors to propose:

- roadway).
- Fixed rates for different types of labor, with each order to center on number of hours by labor category.
- to propose lower rates for an individual order.

Establishing a Task Order Contract

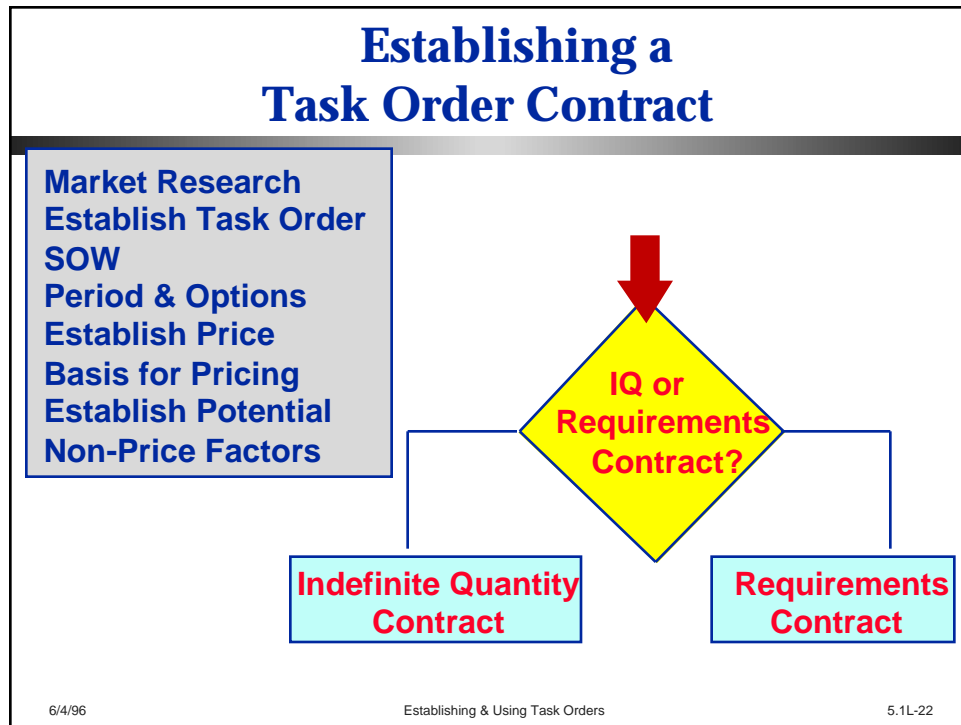


We have identified the period of the contract to include the options and established a basis for pricing the proposals.

Now establish the non-price evaluation factors. In particular, consider factors related to:

- ensure that the contractor uses people of equal or better qualifications to meet the requirement.
- Past performance. Later in this module we will look at past performance in greater detail.
- Performance of sample tasks.
- Management controls.

As in any non-price evaluations, select factors that will discriminate between offeror capabilities.

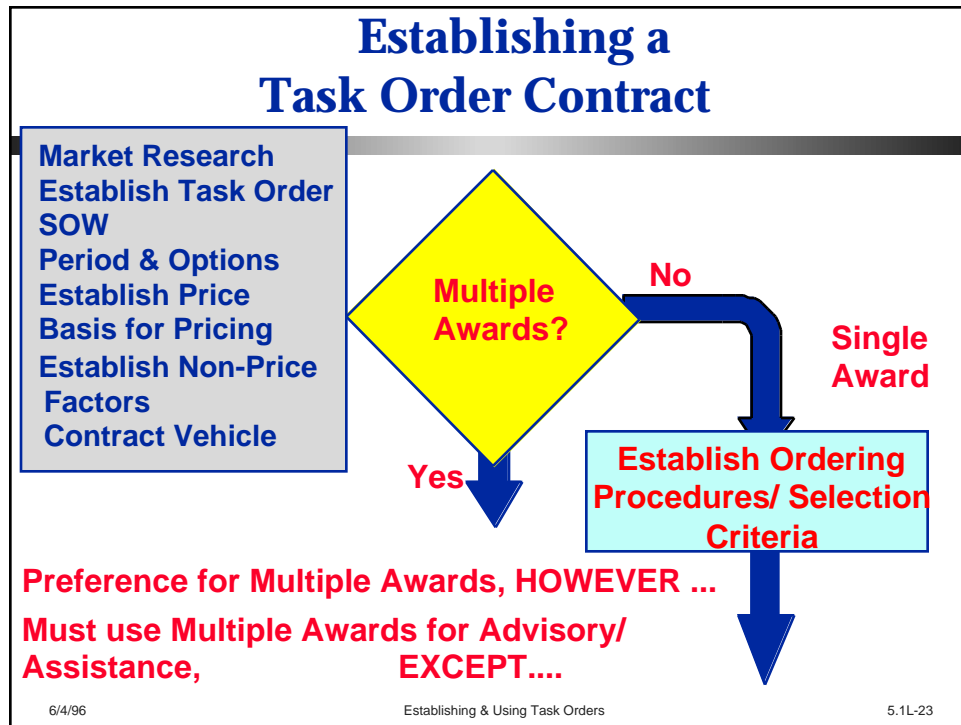


After the non-price evaluation factors are established, the contract vehicle is selected. The two types of indefinite-delivery contracts considered are the requirements contract and the indefinite-quantity contract.

Remember that the requirements contract provides for filling all actual purchase requirements of designated activities for supplies or services during a specified period with deliveries or performance scheduled by placing orders. No funds are obligated by the contract.

The indefinite-quantity contract provides for an indefinite quantity, within stated limits, of supplies or services to be furnished during a fixed period, with deliveries or performance scheduled by placing orders with the contractor.

Determine which type best fills the need. The FAR seems to **(16.501-1(b))** favor IQ contracts because the government's obligation is limited to the minimum quantity specified in the contract.



Should you make multiple awards?

The FAR establishes a general preference for multiple awards when using indefinite-quantity contracts. However, the FAR also identifies five reasons for awarding to one vendor:

1. Unique or specialized requirement.
2. More favorable terms if single award is made.
3. Cost to administer multiple contracts outweighs benefits.
4. Integrally related tasks.
5. Contracting officer determines multiple awards not in Government's best interest.

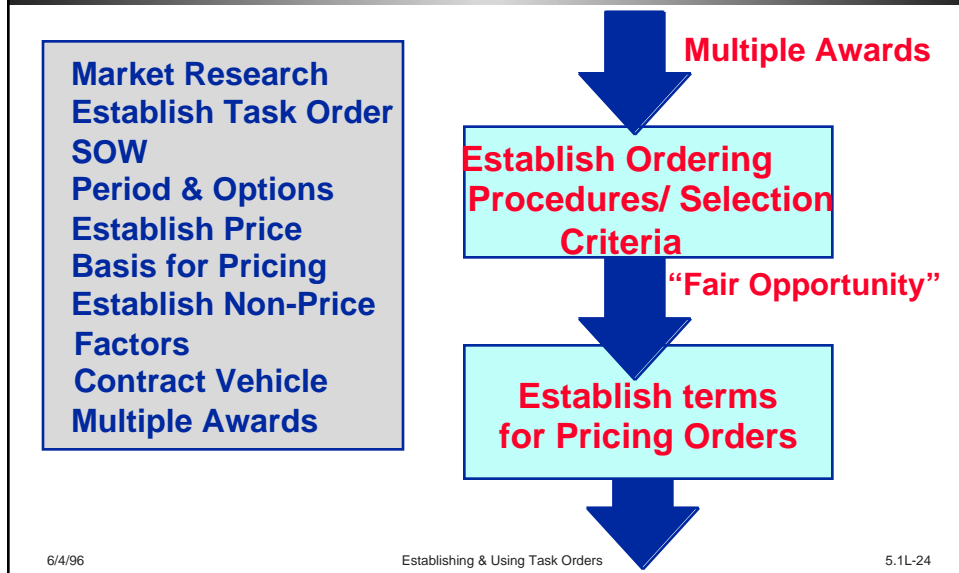
This list may increase depending on the decision construction and A&E contracts.

In addition, there are three exceptions to multiple awards requirements for AAS.

If you decide to make a single award, the next step is to establish ordering procedures. Should the contracting officer delegate ordering authority to CORs? Generally yes, if tasks are fixed price but not if quotes or evaluations are required.

If you decide on multiple awards....

Establishing a Task Order Contract



Multiple awards establish ordering procedures in the solicitation and also the selection criteria that will be used to provide awardees a fair opportunity to be considered for each award above \$2,500. (Fair opportunity is the selection procedure that doesn't automatically eliminate an awardee from each competition.)

When drafting the procedures, avoid “allocation” or other methods to rotate orders. However, with IQ contracts it will be necessary to place an order with each awardee to satisfy a minimum requirement **(16.505(b)(2)(iv))**.

One need not comply with competition requirements of Part 6, formal evaluation plans are not required, and scoring of quote/offers are not required. Oral proposals and streamlined procedures will be allowed and COs have “broad discretion” regarding factors relevant to placing orders.

Establishing a Task Order Contract

Market Research
Establish Task Order
SOW
Period & Options
Establish Price
Basis for Pricing
Establish Non-Price
Factors
Contract Vehicle
Multiple Awards
Ordering Procedures
Pricing



Solicit & Evaluate Offers,
Award Contract

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Establishing & Using Task Orders

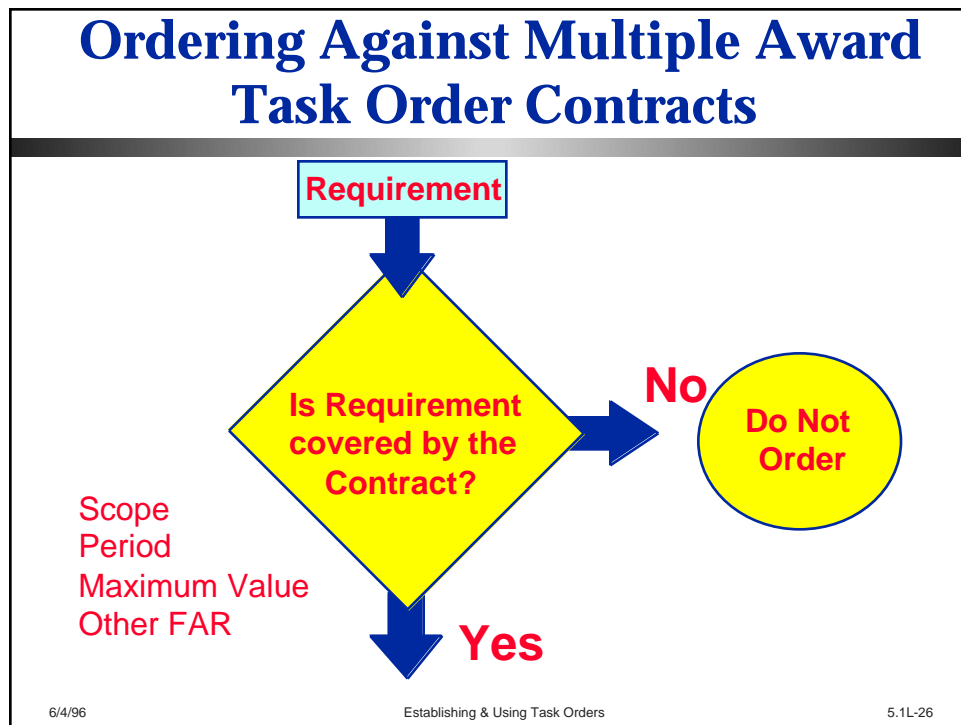
5.1L-25

The final step in the decision tree is to solicit and evaluate offers, then prepare and award contracts.

(52.217-27) Insert the Single or Multiple Awards provision in solicitations for IQ contracts that may result in multiple awards. But, don't use this provision in solicitations for advisory & assistance services contracts if they less than three years and \$10M.

(52.216-28) There is a special provision for multiple awards for those advisory & assistance services contracts.

You may modify these provisions to specify the number of awards the Government estimates that it may make.



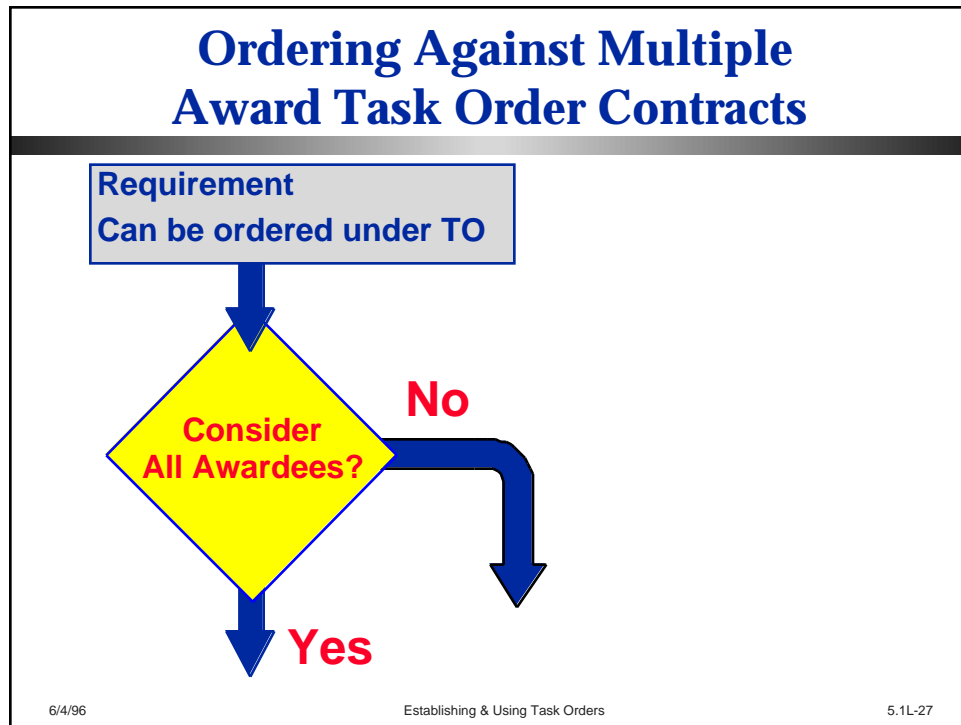
So far, we have gone through the process of establishing a task order contract with multiple awards. Let's continue this process by looking at the procedure to issue orders. We start with the requirement...

Within scope: Does the order clearly describe all services to be performed or supplies to be delivered? Is the work within scope, period, and maximum value of the contract?

Is the order barred by any other limitation in the contract or the FAR?

Is the order in line with restrictions on advisory and assistance contracts?

If the contract covers the requirement, move on to the next step.

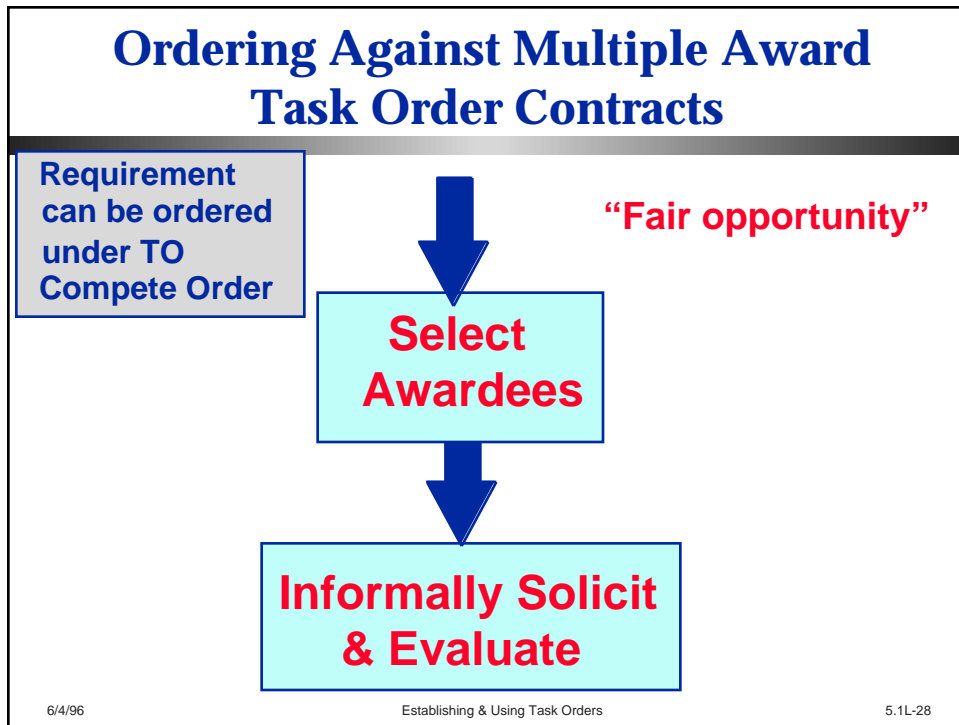


We've established that the requirement can be met under the task order contract. Should all awardees be considered?

Care should be taken here because you must give fair opportunity to all awardees on each order. Recognize that the cost of soliciting, evaluating, awarding and administering an order should be balanced by the benefit to the Government.

You DO NOT have to give fair opportunity if:

- Urgent need and multiple awards would result in unacceptable delay.
- the requirement is unique or highly specialized.
- follow-on to an order already issued. But all awardees had to be given a fair opportunity to be considered for the original order.
- An order to an awardee satisfies a minimum guarantee of the IQ contract.
- If you do not consider all awardees, award sole-source
- If you will give fair opportunity to all, go on to the next chart.



We've decided to consider all awardees

(16.505(b)(1)) If you have competed the order, you must give all awardees under the task order contract fair opportunity. You can do this without contacting all awardees prior to placing an order if the contract procedures do not require pre-placement notification to all vendors; and the contracting officer has information to ensure each vendor is considered for each order.

How does the CO do this? Fixed price requirements are one way.

Next, evaluate offers using the selection criteria and procedures specified in the contract. You meet the requirement for adequate price competition if:

- The price is established in the contract at the time of contract award.
- You solicit offers from two or more awardees for the order.

What if an awardee refuses to submit an offer or accept an order? This issue was not covered by FASA or the FAR and will be left to agency policy.

Ordering Under a Multiple Award Task Order Contract

Requirement can be ordered under TO
Compete Order
Select Awardees
Solicit, Evaluate

Respond to Ombudsman
as necessary

Prepare/
Issue Order

Administer
the Order

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Establishing & Using Task Orders

5.1L-29

Prepare and issue the order

(16.505(a)) When informally soliciting offers and placing orders, there is no requirement for publicity such as a CBD synopsis.

Grievances concerning a task order award are to be filed with the agency's "Task Order Ombudsman". The ombudsman is a senior agency official (or it could be the Competition Advocate) independent of the contracting officer. Their job is to review complaints from awardees and ensure that all are afforded a fair opportunity to be considered consistent with procedures in the contract.

The rule is silent concerning whether these grievances may cause a stay in performance. Agency procedures must address this area.

Remember, an award cannot be protested unless the order increases the scope, period or maximum value of the contract.

When Does It Make Sense to Establish a Task Order ?



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Establishing & Using Task Orders

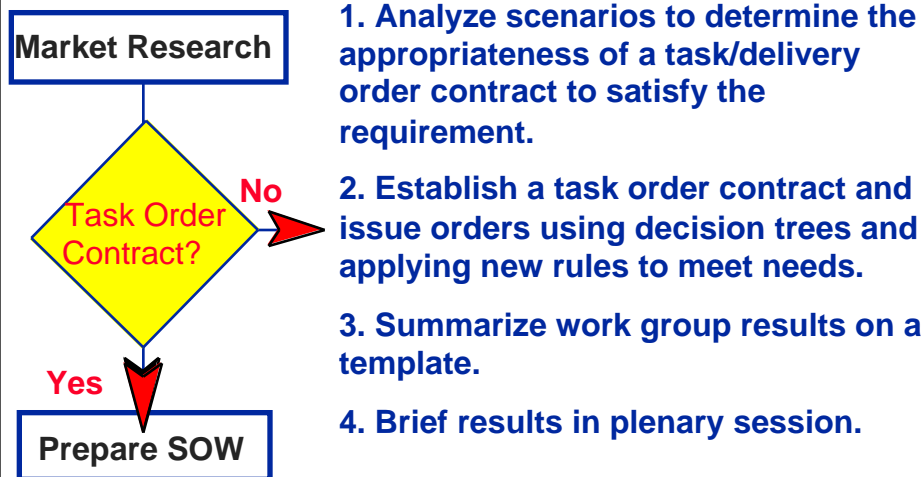
5.1L-30

Task orders give the contracting officer the opportunity to consolidate recurring indefinite-delivery type requirements. Used wisely, task order contracts streamline the process. Many opportunities exist for contracting officers to use their “broad discretion” found throughout FASA.

The exceptions to awarding multiple task order contracts and further exceptions to fair opportunity once multiple awards are in place are “fire exits” for use when contracting officers find themselves facing delays or additional work in meeting requirements. Thank you.

Task Order Exercise

Purpose



6/4/96

Establishing & Using Task Orders

5.1L-31

We covered a lot of ground. All the task order rules are new to FAR. The rules and the decision trees have prepared you for the practical exercise. Let me tell you what will happen.

The first task is a warm-up exercise. You are presented with several situations. First, decide whether or not an indefinite-delivery type contract fits the situation. If so, then further identify the type contract (requirements or indefinite-quantity). Finally, determine whether multiple awards are feasible.

The second task requires you to establish a task order contract. It is a progressive exercise with each subpart building on the previous information. Don't worry if your solution is different from the "school solution", but be able to defend yours in the group session.

The third task presents you with a task order contract and requires you to issue orders based on stated ordering procedures.

Task Order Practical Exercise Concept

Participants work in groups assuming the role of contract specialists/ contracting officers.

Everyone works every exercise.

Work groups discuss and reach consensus.



You will assume the role of the contracting officer for this exercise.

Each participant should work each exercise individually to get the most benefit from the teaching points covered. Afterwards, the work group should discuss answers and reach a consensus for the plenary session.

Exercise Requirements

Task Order Matrix

#	Work Group			Task 3
	Tru-Tone	Painters	Hiram	Rationale
001				
002				
003				
004				
005				
006				

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Establishing & Using Task Orders

5.1L-33

This is the template for Task 3 of the practical exercise. A separate template is provided for each task in the exercise. They are found in your book immediately after the exercise. Please use them.

You will have 2 and 1/2 hours to work, discuss and reach consensus within your work group on each exercise. A suggested time breakout is:

- Read Task 1, work exercises and discuss 30 minutes
- Read Task 2, work exercises and discuss 45 minutes
- Read Task 3, work exercises and discuss 45 minutes
- Report out 30 minutes

Following the practical exercise, groups will assemble in plenary session to report out and discuss their solutions. A “school solution” will be distributed. Good luck!